

## Message Text

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TO SECSTATE WASHDC PRIORITY 4412  
INFO AMEMBASSY BANGKOK  
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AMEMBASSY KUALA LUMPUR  
AMEMBASSY MANILA  
AMEMBASSY SEOUL  
AMEMBASSY SINGAPORE  
AMEMBASSY TAIPEI  
AMCONSUL HONG KONG  
USLO PEKING  
CINCPAC HONOLULU  
COMUSJAPAN YOKOTA

C O N F I D E N T I A L TOKYO 18859

CINCPAC FOR POLAD

E.O. 11652: GDS  
TAGS: PINT, PFOR, JA  
SUBJECT: FUKUDA CABINET LAUNCHED

SUMMARY. NEW FUKUDA CABINET HAS ATTRACTED PRAISE FOR  
INCLUSION OF FRESH FACES, SUCH AS THAT OF FONMIN  
HATOYAMA, BUT HAS ALSO BEEN CRITICIZED FOR ITS PRECISE  
BALANCING OF FACTIONAL INTERESTS ASSOCIATED WITH OLD-  
STYLE POLITICS. APPOINTMENTS REFLECT FUKUDA'S INTEREST  
IN UNIFYING PARTY IN PREPARATION FOR NEXT SUMMER'S UPPER  
HOUSE ELECTION AND HIS STRESS ON ECONOMIC EXPERTISE TO  
COPE WITH SEVERAL ECONOMIC ISSUES NOW CONFRONTING  
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JAPAN. FONMIN, FINMIN AND MITIMIN HAVE HAD LESS  
CABINET AND INTERNATIONAL EXPERIENCE THAN CUSTOMARY  
FOR THEIR POSTS AND, AS RESULT, MAY DEPEND MORE ON  
FUKUDA AND BUREAUCRACY FOR GUIDANCE THAN IS USUAL.  
PREDICTABLY, BUSINESS COMMUNITY RESPONSE HAS BEEN  
FAVORABLE, MEDIA REACTION SOMEWHAT LESS SO, WHILE

OPPOSITION PARTIES FOUND MUCH TO CRITICISE. END  
SUMMARY.

1. FUKUDA SUCCEEDED IN IMPORTANT RESPECTS IN MEETING EXPECTATIONS HE HELPED ENCOURAGE WITH PROMISES TO PRESS FRESH AND STRONG CABINET. FULLY HALF OF INCOMING MEMBERS HAVE HAD NO PREVIOUS CABINET EXPERIENCE OR ONLY SERVED A FEW WEEKS IN FINAL (1974) TANAKA CABINET. AMONG THESE, NEW FONMIN IICHIRO HATOYAMA, SON OF FORMER PRIMIN (1954-56) AND LDP FOUNDER, AND THREE CABINET MINISTERS IN THEIR FORTIES (KOMIYAMA, KAIFU AND ISHIHARA) HAVE ATTRACTED MOST ATTENTION. LATTER THREE ARE FIRST OF SHOWA GENERATION (THOSE BORN SINCE 1926) TO BE SELECTED FOR CABINET POSTS. MOREOVER, NEW CABINET LINEUP INCLUDES SEVERAL OF PROVEN ABILITY OR DEMONSTRATED PROMISE: IN ADDITION TO FUKUDA HIMSELF, AGMIN SUZUKI, LABMIN ISHIDA, EDMIN KAIFU, JDA DIRGEN MIHARA AND SCI/TECHNOLOGY DIRGEN UNO. THIS GROUP ATTRACTED MEDIA ATTENTION, BUT NOT SUFFICIENTLY TO OFFSET COMPLETELY IMAGE OF CABINET AS COMPROMISE OF FACTIONAL INTERESTS. REWARDING EQUAL NUMBER OF ELDERLY, UNDISTINGUISHED CONSERVATIVE BACKBENCHERS. (DESPITE PRESENCE OF FIVE MEMBERS IN THEIR SEVENTIES, AVERAGE AGE OF NEW CABINET IS 60.7 COMPARED TO 63.7 FOR ITS PREDECESSOR.)

2. FACTIONAL BALANCE OF NEW CABINET, OBVIOUSLY AIMED AT LDP UNITY, IS EXQUISITELY PRECISE. HALF OF NEW MEMBERS ARE FROM FUKUDA-OHIRA-TANAKA "CONSERVATIVE MAINSTREAM" FACTIONS, TWO-THIRDS REPRESENT FACTIONS OF OLD ANTI-MIKI "PARTY UNITY" GROUP, BUT ONE-THIRD REPRESENT NAKASONE  
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AND MIKI FACTIONS WHICH, UNTIL RECENTLY, OPPOSED FUKUDA. OHIRA FACTION HAS FOUR CABINET REPRESENTATIVES, WHILE MIKI FACTION HAS ONLY TWO. FUKUDA, TANAKA AND NAKASONE FACTIONS HAVE THREE EACH; SMALLER FACTIONS WERE EACH GIVEN ONE POST. CAREFUL FACTIONAL BALANCE, PROBABLY ATTRIBUTABLE TO LDP SEC GEN OHIRA, HAS HAD EFFECT OF CEMENTING FUKUDA-OHIRA ALLIANCE AND SATISFYING CONTENDING INTERESTS WITHIN LDP.

3. ECONOMIC EMPHASIS OF NEW CABINET IS PARTICULARLY DISCERNABLE IN APPOINTMENT OF HATOYAMA, FORMER FINANCE MINISTRY VICEMIN (1971-72), AS FONMIN. DESPITE SUBSTANTIAL ECONOMIC EXPERTISE, HOWEVER, HOLDERS OF THREE MAIN POSTS--FONMIN, FINMIN, AND MITIMIN--HAVE HAD LESS CABINET AND INTERNATIONAL EXPERIENCE THAN CUSTOMARY IN THESE POSTS AND, AS CONSEQUENCE, THEY ARE LIKELY TO RELY HEAVILY ON FUKUDA AND LINE BUREAUCRATS FOR GUIDANCE.

4. VIEWED IN STRICTLY DOMESTIC POLITICAL TERMS WITH PENDING UPPER HOUSE ELECTION IN MIND, CABINET ONLY PARTIALLY SUCCESSFUL. ELECTORATE HAS BEEN MOST INTERESTED IN ECONOMIC IMPROVEMENT, COMPLETION OF LOCKHEED PROBE AND LDP REFORM. ECONOMIC APPOINTEES ARE NOT EXPECTED TO QUARREL WITH FUKUDA, WHO HAS ALREADY DAMPENED POTENTIAL POPULAR ENTHUSIASM BY SOUNDING NOTE OF CAUTION CONCERNING PROPOSED INCOME TAX CUT. SIMILARLY, APPOINTMENT OF OUTSPOKEN MIKI CRITIC AND CLOSE TANAKA ASSOCIATE HAJIME FUKUDA AS JUSTICE MINISTER HAS OCCASIONED DOUBTS ABOUT THOROUGHNESS WITH WHICH ONGOING LOCKHEED INVESTIGATION WILL BE PURSUED. FINALLY, CAREFUL FACTIONAL BALANCE OF CABINET ITSELF UNDERSCORES DIFFICULTY OF ELIMINATING FACTIONS, GOAL MANY HAVE IN MIND WHEN THEY THINK OF LDP REFORM.

5. RECEPTION OF NEW CABINET HAS BEEN REASONABLY FAVORABLE. PREDICTABLY, BUSINESS COMMUNITY HAS BEEN GENERALLY CONFIDENTIAL

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POSITIVE, ALTHOUGH A FEW MEMBERS VOICED SOME DISAPPOINTMENT THAT MORE NEW BLOOD WAS NOT INCLUDED. EQUALLY PREDICTABLY, ASHAHI NEWSPAPER NOTED "RIGHTWING" SLANT IN NEW CABINET. IN SHIFT FROM MIKI (ASSOCIATED WITH LIBERAL WING OF LDP) TO FUKUDA (LINKED TO CONSERVATIVE WING), THIS SORT OF COMMENT WAS ALMOST INEVITABLE. IT WAS GIVEN ADDITIONAL CREDENCE, HOWEVER, BY INCLUSION OF TWO PROMINENT "SPRING STORM SOCIETY" (SEIRANKAI) MEMBERS, ISHIHARA AND WATANABE. AS USUAL, OPPOSITION PARTY LEADERS HAD LITTLE FAVORABLE TO SAY.

7. ALMOST AS INTERESTING AS MAKE-UP OF NEW CABINET ITSELF, WAS DECISION, DESPITE CONSIDERABLE SPECULATION, NOT TO INCLUDE PROMINENT NON-POLITICIANS SUCH AS FORMER AMBASSADOR TO US SSHIBA, FORMER TOKYO UNIVERSITY PRESIDENT KATO AND ACKNOWLEDGED DEAN OF LABOR AFFAIRS NAKAYAMA. IN CHOOSING ONLY POLITICIANS, FUKUDA SHOWED HIS PREFERENCE FOR WORKING WITH FAMILIAR FACES, PASSING UP CHANCE TO FREE ADDITIONAL LDP MEMBERS FOR COMMITTEE ASSIGNMENT IN LOWER HOUSE WHERE LDP NOW FORCED TO ACCEPT SEVERAL OPPOSITION PARTY CHAIRMEN. EVEN AMONG POLITICIANS, SOME WELL-KNOWN NAMES WERE MISSING. NAKASONE WAS SAID TO HAVE BEEN LEFT OUT BECAUSE OF POSSIBLE LOCKHEED PROBLEMS; MIYAZAWA, ODDS ON FAVORITE FOR FINMIN UNTIL LAST MOMENT, IS SAID TO HAVE BEEN VETOED BY OHIRA, WHO VIEWS HIM AS INCREASINGLY STRONG RIVAL TO SUCCEED FUKUDA; AND FUKUDA FACTION "CROWN PRINCE" ABE WAS GIVEN DIET POLICY ROLE RATHER THAN CABINET POST DUE, IT IS RUMORED, TO POSSIBLE KOREA-RELATED PROBLEMS ASSOCIATED WITH HIS FATHER-IN-LAW, FORMER PRIMIN KISHI.

8. IN SUM, CABINET SUCCEEDS REASONABLY WELL IN ENCOURAGING  
LDP UNITY ESSENTIAL TO FUNCTION WITH PRESENT WAFER-THIN  
MAJORITY IN BOTH DIET HOUSES. IT ALSO GIVES FUKUDA SUB-  
STANTIAL POLICY SCOPE AND OHIRA PREEMINENT ROLE IN PARTY  
AFFAIRS. NEITHER MAN WILL HAVE TO CONTEND WITH PARTY  
STRONGMEN IN TOP POSITIONS WHO, FOR REASONS OF THEIR OWN,  
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MIGHT COMPETE WITH THEM OR ABANDON THEM ON SHORT NOTICE.  
IN THEIR CABINET SELECTIONS, HOWEVER, FUKUDA AND OHIRA HAVE  
SACRIFICED SUBSTANTIAL OPPORTUNITIES TO MAKE GREATER APPEAL  
TO ELECTORATE.  
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